

THE FOLLOWING DOCUMENTS  
ARE ATTACHED:  
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ER 2717 86

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ER 2756 86

**SUBJECT:**

Sanitized Copy Approved for Release 2011/06/24 : CIA-RDP88G01116R001202390003-2

19 June 86



STAT

Signed by the Director last night.  
Will be delivered this morning by DCI  
Couriers.



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The Director of Central Intelligence

Washington, D. C. 20505

Executive Registry	
86-	2756

19 June 1986

Mr. Mortimer B. Zuckerman  
Chairman and Editor-in-Chief  
U.S. NEWS & WORLD REPORT  
2400 N Street, N. W.  
Washington, D. C. 20037

Dear Mr. Zuckerman,

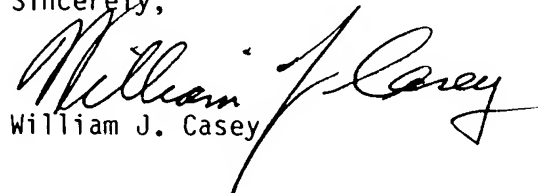
Following up on my letter of 12 June, there is another implication in the U.S. NEWS & WORLD REPORT issue of 16 June 1986 on which I would like to straighten the record.

Your story has critics saying that I "violated the spirit of post-Watergate reforms." That's fair enough. But it's not irrelevant that the Congress and the Carter Administration in enacting legislation to establish those reforms decided not to require a blind trust. Instead they made disclosure of transactions the appropriate public protection against misuse of information and conflict of interest. The required disclosures were fully and assiduously made.

When I went to the CIA I was advised by its General Counsel and its designated ethics official as follows: "There is no need for you to make any adjustments regarding your ownership of any securities or assets you now own and the Office of Government Ethics concurs in this view. In fact, there are no considerations dictated by your position as DCI which would bear on your decision whether to place your holdings under some kind of trust arrangement."

I would appreciate it if you would add this important point also to anything done to clarify all this for your readers and your records.

Sincerely,

  
William J. Casey

cc: Mr. David Gergen



P-308-JK

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ER:

Attached was handcarried by  
DCI Security Staff last evening.

Originated by Public Affairs--DCI redid ~~last~~ <sup>file</sup>  
 13 June page.

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Central Intelligence Agency



Washington, D.C. 20505

Executive Registry

86- 2717

12 June 1986

Mr. Mortimer B. Zuckerman  
Chairman and Editor-in-Chief  
U.S. NEWS & WORLD REPORT  
2400 N Street, N.W.  
Washington, D.C. 20037

Dear Mr. Zuckerman:

I was pleased Dave Gergen asked me to talk with him about the U.S. NEWS & WORLD REPORT article on the Agency and thought I had answered all his questions. I am disappointed that despite our conversation and the similar conversations my Office of Public Affairs had with your reporters, the story appeared with a number of inaccuracies.

On the whole, the U.S. NEWS story comprehensively reviewed the range of criticism and approval our efforts have received. It also, however, replayed a variety of falsehoods which have circulated among the media. These misconceptions could have been easily corrected had your reporters seen fit to ask us about them. While there is much I could take exception to, I think it necessary to highlight four specific errors.

--I never "at a Washington party...startled guests by snapping at the head of the Senate Intelligence Committee: I'm not going to take any more of this s\*\*\* from you people." Senators Goldwater and Durenberger, the only heads of the Senate Select Committee on Intelligence during my tenure, know of no such occasion.

--You report "charges" that I could have been "using one of the most sensitive public positions to line (my) pocket" and use a quote from an unspecified source about "shifting large sums from wheat to oil." Your reporter could have easily discovered that all decisions with respect to my investments were made by a professional investment advisor as described in a letter from him which appeared in THE WASHINGTON POST on 6 June 1983. He wrote, "I have provided Mr. Casey and his family with professional investment counsel services for approximately 20 years. During this time I have had discretion to manage his investment without consultation with him. Investment changes that were made by me in his accounts were based on our firm's judgments that were consistently applied to our other clients' portfolios. There have been no instances whatever during Mr. Casey's service as Director of Central Intelligence Agency when he has provided me with any information that could have been used as an aid in making these decisions."

DCI  
EXEC  
REG

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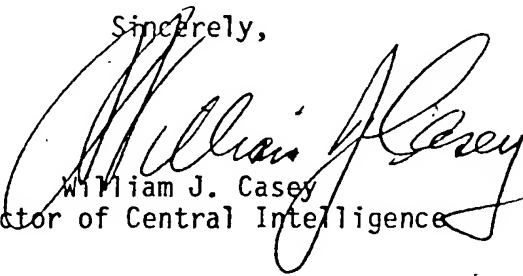
Mr. Mortimer Zuckerman  
Page 2  
12 June 1986

--In quoting a former CIA analyst's claims that I had insisted on "an alarmist view of Mexico's stability to rationalize U.S. goals in Central America" to the exclusion of other viewpoints, you fail to note that the House Permanent Select Committee on Intelligence investigated the charge that I had slanted the estimate and reported that "the Committee examined the earlier drafts and the final version of that particular NIE and found that dissenting views were printed at the very beginning of the study, a practice the Committee applauds."

--Your statement that "the CIA trained a renegade Lebanese counterterrorism unit responsible for a 1984 car-bomb blast that killed 80 civilians and injured 200," completely ignores the House Intelligence Committee's conclusion "that no U.S. Government complicity, direct or indirect, can be established with respect to the March 8 bombing in Beirut." The CIA had no association--training or otherwise--with those who committed this irresponsible act.

I believe that you owe your readers and this institution a correction of these elements of your story.

Sincerely,



William J. Casey  
Director of Central Intelligence

cc: Mr. David Gergen

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